(a) whether the valuation cell attached to Income-Tax Department remained unutilised to 79 per cent in the year 1999-2000 and the percentage of non-utilisation is on increase from 56 per cent in 1994-95;

(b) whether it is a fact that the valuation cell does not maintain records as asked for by Central Board of Direct Taxes;

(c) if so, the reasons therefor; and

(d) the steps being taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN) : (a) As per the existing norms, the Valuation Cell is being utilised. Statistically speaking, the Valuation Cell may appear unutilised. However, the statistics quoted by the Hon'ble Member have to be appreciated in proper perspective. The fact that a Valuation Officer has not been able to dispose off his required number of cases (despite adequate workload being available with him) does not mean that his capacity remains unutilised. The shortfall in reaching the targeted quota of number of cases is attributable to various factors, like the nature of cases being complicated requiring additional time, lack of infrastructural facilities lack of co-operation on the part of assessees in providing of details, etc.

(b) In general, the Valuation Cell is maintaining all records as asked for by the Central Board of Direct Taxes. However, it may happen that in some branches of the Valuation Cell some of the records are not maintained/not maintained properly.

(c) and (d) Appropriate instructions are being issued to the Valuation Cell to ensure compliance with the existing instructions regarding maintenance of records.

Record of assessees availing Income-tax exemptions

2363. SHRIMATI SARLA MAHESHWARI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Income-Tax Department has to maintain records in respect of assessees who are availing exemptions and deductions in respect of export of computer software;

(b) whether the realisation and bringing back the export profits in convertible foreign exchange under the requisite provision can not be verified in the absence of records;

(c) if so, the reasons for not maintaining the records; and

(d) the remedial measures being taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN) : (a) to (d) The records in respect of assessees who are availing exemptions and deductions in respect of export of computer software is maintained in the Form No. 10CCAF under rule 18BBA(7), which is a certificate given by the Chartered Accountant, and submitted by the assessees along with the Return of Income filed with the Income-Tax Department. Records of all the returns and the assessments made thereon are maintained by the Department in the normal course.

One of the conditions for the allowances of the aforesaid deductions in respect of export of computer software is that the consideration for the such export have to be brought into India in convertible foreign exchange within six months from the end of the relevant financial year. The time period so prescribed can only be extended with the permission of Reserve Bank of India.

The satisfaction of the above condition is also varified by the Assessing Officer at the time of scrutiny wherein the assessee is required to produce documents and bank statements to prove that the export proceeds have been brought into India in convertible foreign exchange within the stipulated date.

Proposal of Singapore's capital market

2364. SHRIMATI JAYAPRADA NAHATA : Will the Minister of FINANCE be pleased to state :

(a) whether Singapore's capital market authorities have invited Indian Companies to get listed on its stock exchange and also tap its money market;

(b) if so, whether Government have considered Singapore's proposal; and

(c) what is Government's and Indian Companies' reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) No, Sir.

As per existing regulations, listing of rupee shares of Indian companies on overseas stock exchanges is not permissible. As per current foreign investment policy ADR/GDR issues with fresh underlying shares require no prior approval of the Government if the foreign equity investment is within the prescribed limits. The issuers have to comply with Reserve Bank of India's reporting